HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.NO. 15144 OF 2006

DATED: 24.7.2006

Between:

J. Arun Singh

… Petitioner

and

The Managing Director, A.P. State
Financial Corporation and another

… Respondents

HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.NO.15144 of 2006

ORAL ORDER:

The writ petition is misconceived.

Admittedly, the petitioner offered his property at D.No.19/278, Krishnamandiram, Kamati Street, near Marathibavi, Nellore, as collateral security for the Term loan and Seed Capital assistance advanced by the A.P. State Financial Corporation to M/s O.K. Industries, for setting up a Mineral Water Plant.

There was a default in the repayment of the loan. As is apparent from the impugned order dated 18.4.2006 issued by the 2nd respondent, the petitioner negotiated for a one time settlement for clearing the loan account and a crystallized OTS amount of Rs.10.00 lakhs was arrived at, on payment of which the loan account was to be closed. The amount of Rs.10.00 lakhs ought to have been paid on or before 28.2.2005; it was however not paid. The petitioner is stated to have sought extension of time, which was repeatedly extended but the petitioner paid only an amount of Rs.1.10 lakhs. In the circumstances, the impugned communication from the 2nd respondent informs the

petitioner that if the balance of Rs.8.9 lakhs with further interest from the extended time up to 18.5.2006 is not received, even the OTS facility allowed to the petitioner would be withdrawn and the properties offered by the petitioner as collateral security will be advertised for sale on 19.5.2006, without notice or reference to the petitioner. The petitioner is thus sensitized that the legal remedies available to the A.P. State Financial Corporation would be put into motion on the petitioner failing to pay the amount entered into as an OTS settlement and the collateral properties offered by the petitioner would be put to sale.

The petitioner challenges the communication addressed by the 2nd respondent on no known legal grounds. He does not even urge any plausible grounds. No case is made out for interference.

The writ petition is without merits and is accordingly dismissed after hearing Sri Y.N. Lohita, learned Standing Counsel appearing for the respondent-Corporation. There shall be no order as to costs.

GODA RAGHURAM, J

Date: 24.7.2006
cvm